



Midwest Alarm

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September 16, 1996

Mr. William F. Caton
Acting Secretary
Federal Communication Commission
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: CC Docket No. 96-152

Dear Mr. Caton:

I recently have learned that the Federal Communications Commission is considering rules to implement the alarm monitoring provisions of the Telecommunications Act of 1996. I was intimately involved with Senator Larry Pressler in the wording of the Telecommunications Act of 1996, and establishing the intent of this legislation. As a matter of fact Senator Pressler and Senator Tom Harkin engaged in a colloquy which firmly established the intent of the legislation. As a provider of alarm monitoring services, Midwest Alarm Company, Inc. is vitally interested in CC Docket No. 96-152, which will implement Section 275 of the '96 Act. Midwest Alarm Company, Inc. urges the Commission to interpret Section 275 in the manner intended by Congress and resist Bell Company attempts to reduce the section to a meaningless technical provision.

1. Midwest Alarm Company, Inc. is completely dependent on the local telephone company, U.S. West Communications, for connection of its alarm monitoring customers to its alarm monitoring center. There is no practical alternative at this time. As a result, Midwest Alarm Company, Inc. is extremely vulnerable to potentially anti-competitive conduct by U.S. West Communications.

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2. Section 275 provides a 5 year prohibition on ~~local~~ ABCDE Company entry into the alarm business in order to permit local competition to develop that will give alarm monitoring services companies, like Midwest Alarm Company, Inc., an alternative local network to use. Although local competitors have begun the process of entry into the largest



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markets, it likely will be years before any of them present a viable alternative to the incumbent Bell Companies IN Sioux Falls, South Dakota.

3. Midwest Alarm Company, Inc. understands that certain Bell Companies now contend that Section 275 is only a very narrow prohibition. Accordingly, these incumbent monopolists contend that Section 275 allows them immediately to resell alarm monitoring services, or engage in marketing, sales agency, billing and customer inquiry services associated with alarm monitoring services. Moreover, these Bell Companies plan to be compensated for these activities through a percentage of the alarm monitoring revenues. This interpretation of Section 275 will give U.S. West Communications all the same opportunities and incentives to discriminate and compete unfairly that it would have had if the 5 year ban did not exist. In other words, it will make the 5 year prohibition meaningless and could have an extremely detrimental impact on Midwest Alarm Company, Inc.

4. Midwest Alarm Company, Inc. further understands that Ameritech has invented a reading of Section 275 that would subvert the ban on that company's acquisition of other alarm monitoring services for five years. In fact, Ameritech has announced its purchase of the alarm business of Circuit City Stores, and has solicited numerous other companies in an effort to buy them out. If allowed to prevail, this reading of Section 275 will render meaningless the 5 year prohibition on Ameritech's purchase of other alarm monitoring companies. Again, the protections provided to small alarm monitoring businesses by Section 275 will be eliminated.

5. Midwest Alarm Company also has learned of still another Bell Company effort to undermine Section 275. This time, U.S. West contends that it offered services prior to November 30, 1995 which qualify it to participate in the alarm monitoring business in the same way as Ameritech. As with the other Bell Company attempts to escape the provisions of Section 275, it is critical to Midwest Alarm Company, Inc. that this effort not succeed. Enforcement of the provisions of Section 275 for the 5 year probationary period is crucial if local competition is to develop sufficiently to provide alarm companies with alternative sources of local transmission.

6. Midwest Alarm Company, Inc. believes that the '96 Act represents a congressional compromise between the interests

of the alarm monitoring industry's fears of anti-competitive conduct by the Bell Companies and the telephone companies' desire to enter the alarm business. A 5 year prohibition to enable local competition to take root before Bell Company entry seems to balance the interests of the parties fairly. If the recent Bell Company efforts succeed in interpreting Section 275 as a narrow, trivial provision, however, the entire intent and effect of the interim protections will be lost.

Midwest Alarm Company, Inc. urges the FCC to reject these Bell Company distortions of Section 275 and implement it in a manner consistent with Congress' intent.

Sincerely,

A handwritten signature in cursive script that reads "Larry McMillen". The signature is fluid and elegant, with a large initial "L" and a long, sweeping underline.

Larry McMillen
President
Midwest Alarm Company Inc.